

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 015536
ORIGIN ARA-14

INFO OCT-01 ISO-00 /015 R

66011

DRAFTED BY: ARA/ECA:DVANTREECK:RC

APPROVED BY : ARA/ECA:RWZIMMERMANN

-----073866 200540Z /21

R 192312Z JAN 78

FM SECSTATE WASHDC

TO AMEMBASSY MONTEVIDEO

LIMITED OFFICIAL USE STATE 015536

FOLLOWING TAIPEI 00298 ACTION SECSTATE INFO AMEMBASSY'S SEOUL
BANGKOK MANILA JAKARTA KUALA LUMPUR BRASILIA MADRID ROME
TOKYO HONG KONG 16 JAN

QUOTE: C O N F I D E N T I A L

LIMITED OFFICIAL USE TAIPEI 298

E.O. 11652: N/A

TAGS: ETRD, TW

SUBJECT: SPECIFIC ACTIVITIES TO CIRCUMVENT FOOTWEAR ORDERLY
MARKETING AGREEMENTS (OMA)

REF: STATE 008343

1. ECON COUN DISCUSSED SUBSTANCE REFTTEL WITH VICE MINISTER
OF ECONOMIC AFFAIRS Y.T. WONG JANUARY 14. WONG ADMITTED
THAT A FEW QUOTE UNSCRUPULOUS UNQUOTE ROC FOOTWEAR FIRMS MAY
HAVE ATTEMPTED TO CIRCUMVENT OMA BY SHIFTING MANUFACTURING
OPERATIONS TO THIRD COUNTRIES BUT PRACTICE IS NOT WIDESPREAD
AND GROC IS TAKING ACTION TO PREVENT CIRCUMVENTION BY CLOSELY
MONITORING EXPORT LICENSES. PROBLEM IS DETERMINING PURPOSE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 015536

FOR WHICH FOOTWEAR COMPONENTS ARE EXPORTED. DISTINCTION
MUST BE DRAWN BETWEEN ROC FIRM IN CAHOOTS WITH THIRD COUNTRY
IN ORDER TO EVADE OMA AND ROC FIRM WHICH IS MERELY
SELLING COMPONENTS TO THIRD COUNTRY FIRM WHICH IS UNABLE
TO OBTAIN SUCH COMPONENTS LOCALLY. OBVIOUSLY, THERE ARE
FIRMS IN COUNTRIES WHICH ARE NOT SUBJECT TO OMA RESTRIC-
TIONS WHICH NOW WISH TO MANUFACTURE FOOTWEAR COVERED

BY THE OMA AND SELLING COMPONENTS TO THOSE FIRMS IS
CONSIDERED BY GROC TO BE NORMAL COMMERCIAL TRANSACTION
IF THERE IS NO EVIDENCE OF COLLUSION BETWEEN THOSE
FIRMS AND ROC FIRMS.

2. WONG COMMENTED THAT GROC IS AWARE OF ITS RESPONSIBILITIES UNDER THE OMA AND IT WILL DO THE BEST IT CAN TO INSURE THAT LOCAL FOOTWEAR MANUFACTURERS ALSO RESPECT THE AGREEMENT. MALEFACTORS WILL BE PUNISHED WHEN CAUGHT BUT CATCHING THEM IS NOT EASY, PARTICULARLY SINCE THE BOARD OF FOREIGN TRADE IS NOT STAFFED TO INVESTIGATE THOROUGHLY EACH AND EVERY REQUEST FOR AN EXPORT LICENSE SUBMITTED BY A FOOTWEAR MANUFACTURER.

3. WITH REGARD TO THE OMA ITSELF, WONG COMMENTED THAT PRICES IN THE US FOR FOOTWEAR COVERED IN THE AGREEMENT WITH THE ROC HAVE RISEN SHARPLY BECAUSE OF STRONG DEMAND WHICH CANNOT BE FILLED BECAUSE OF AGREEMENT LEVELS. U.S. FOOTWEAR IMPORTERS ALSO TELL HIM THAT PRICES WILL GO EVEN HIGHER IN 1978 SINCE THE US FOOTWEAR INDUSTRY IS NOT PREPARED TO MEET THE DEMAND. IN WONG'S OPINION, NO ONE HAS BENEFITTED FROM THE OMA, INCLUDING ROC EXPORTERS, THE US SHOE INDUSTRY AND, ABOVE ALL, THE US CONSUMER.

UNGER
UNQUOTE CHRISTOPHER
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 015536

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOOTWEAR, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE015536
Document Source: CORE
Document Unique ID: 00
Drafter: ARA/ECA:DVANTREECK:RC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780030-0352
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780143/aaaabkhz.tel
Line Count: 94
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 922fc7e1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 8343
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3745313
Secure: OPEN
Status: NATIVE
Subject: SPECIFIC ACTIVITIES TO CIRCUMVENT FOOTWEAR ORDERLY MARKETING AGREEMENTS (OMA)
TAGS: ETRD, TW
To: MONTEVIDEO
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/922fc7e1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014